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February 25, 2016

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To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Sachi A. Hamai
Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Pursuit of County Position on Legislation**
 - **Pursuit of County Position to Support SB 93 (De León and Lara)**, which as amended on February 22, 2016, would allocate, in FY 2015-16, an additional \$176.6 million to the State Department of Toxic Substances Control to expedite the assessment and the cleanup of the properties contaminated by Exide Technologies. Therefore, consistent with the Board-approved action of February 16, 2016, to actively support measures to expedite the required assessment and cleanup of affected properties, including seeking increased State funding and adequate resources to protect the safety and well-being of the Los Angeles County residents of the communities affected by Exide, **the Sacramento advocates will support SB 93.**
 - **Pursuit of County Position to Support SB 867 (Roth)**. This measure would eliminate the January 1, 2017 sunset date which authorizes counties to augment the Maddy Emergency Medical Services Fund by collecting an additional penalty assessment for specified criminal offenses to fund pediatric trauma centers. Therefore, unless otherwise directed the Board, consistent with existing policy to support proposals to provide permanent, stable funding for the County's public and private emergency and trauma care system, **the Sacramento advocates will support SB 867.**

"To Enrich Lives Through Effective And Caring Service"

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- **Status of County-Advocacy Legislation**

- **County-supported SB 380 (Pavley)** - related to an immediate moratorium on injections of natural gas into any wells located in and serving the Aliso Canyon Storage, passed the Assembly Utilities and Commerce Committee on February 22, 2016.
- **Senate Budget Committee Informational Hearing on Homelessness.** On February 25, 2016, the Senate Budget and Fiscal Review Committee will hold an informational hearing at the State Capitol to discuss "Challenges and Opportunities: Homelessness in California's Local Communities."

Pursuit of County Position on Legislation

SB 93 (De León and Lara), as amended on February 22, 2016, would allocate an additional \$176.6 million to the State Department of Toxic Substances Control (DTSC) in FY 2015-16 to expedite the assessment and cleanup of the properties contaminated by Exide Technologies, a battery recycling plant in the City of Vernon.

For over three decades, Exide has emitted lead, arsenic, antimony, and other toxic substances into the air above the City of Vernon, as well as the surrounding communities. The plant was allowed to operate by DTSC, the State's environmental regulatory agency, under a temporary permit for 33 years. DTSC estimates that as many as 10,000 homes in the area surrounding Exide could be contaminated and further estimates that the cost per house for assessment and cleanup would be \$2,500 and \$45,000, respectively.

The Governor's FY 2016-17 Proposed Budget identified \$8.5 million for FY 2015-16 and FY 2016-17 to address the Exide cleanup. On January 26, 2016, Supervisor Hilda Solis and several residents and community advocates testified in Sacramento before the Assembly Environmental Safety and Toxic Materials Committee to urge the State to recognize the urgency to remediate the long-standing environmental threat by allocating sufficient funding for assessment and cleanup of the most contaminated properties. On February 17, 2016, Governor Brown announced a proposal to allocate an additional \$176.6 million in one-time funding in the current fiscal year to DTSC.

As amended, SB 93 contains the Governor's \$176.6 million budget proposal. It is an urgency measure, which requires a two-thirds vote of the Legislature to pass, and it would become effective immediately upon the Governor's signature.

This office supports SB 93 because it will provide additional funding to DTSC for the expedited assessment and cleanup of properties contaminated by Exide. Therefore, consistent with the Board-approved action of February 16, 2016, to actively support measures to expedite the required assessment and cleanup of affected properties, including seeking increased State funding and adequate resources to protect the safety and well-being of the Los Angeles County residents of the communities affected by Exide, **the Sacramento advocates will support SB 93.**

SB 93 is awaiting a hearing in the Assembly Budget Committee.

SB 867 (Roth), which was introduced on January 11, 2016, would eliminate the January 1, 2017 sunset date which authorizes counties to augment the Maddy Emergency Medical Services (EMS) Fund by collecting an additional penalty assessment for specified criminal offenses to fund pediatric trauma centers.

Existing law allows county boards of supervisors, by resolution, to levy an additional \$2 penalty assessment on every \$10 penalty for specified criminal offenses and moving violations, including speeding, seat belt infractions, domestic violence and driving under the influence, but only if the increased penalties did not offset or reduce the funding of other programs. This measure also created a new pediatric trauma component of the Maddy EMS Fund which requires 15 percent of the new Maddy EMS funds to be used for development and expansion of pediatric trauma centers. The majority of funds are allocated to physicians for emergency services in private hospitals, to hospitals providing disproportionate trauma and emergency services, and for other emergency medical services. Up to 10 percent of the funds may be used for administration. The funds generated from SB 1773 are known as Richie's Funds.

On March 6, 2007, the Board adopted a resolution to implement SB 1773 in Los Angeles County, through January 1, 2009, the original sunset date of SB 1773. **County-supported SB 1236** (Chapter 60, Statutes of 2008) extended the sunset date to January 1, 2014, and **County-sponsored SB 191** (Chapter 600, Statutes of 2013) extended the sunset date to January 1, 2017. As introduced, SB 867 would repeal the sunset date.

The Department of Health Services (DHS) reports that since its inception in 2007, \$17.8 million in Richie's Funding has been allocated to implement and expand pediatric trauma and emergency services at both County and non-County facilities. The availability of these funds has resulted in the designation of the Northridge Medical Center Pediatric Trauma Center increasing the number of pediatric trauma centers in Los Angeles County to seven. DHS notes that prior to this designation, San Fernando area patients had to be transported via helicopter to either Children's Hospital

Los Angeles or to Ronald Reagan University of California Medical Center in order to receive timely and appropriate trauma care. Richie's Funds are also used to reimburse physicians and surgeons who provide emergency care for indigent patients. In addition, DHS indicates that these funds provide approximately \$5.0 million annually or 30 percent for the County's Physician Services for Indigents Program.

The Department of Health Services notes that the County retains its obligation to provide emergency care for thousands of persons in the County who remain without insurance coverage even after the implementation of the Affordable Care Act. Retaining the availability of Richie's Funding is critical to maintaining the County's trauma and emergency care system. While the number of indigent patients may be declining, the current level of payments provided to physicians does not cover the costs associated with providing the care. The loss of Richie's Funds would be catastrophic. SB 867 would eliminate the January 1, 2017 sunset date and will allow the County to permanently designate these funds for pediatric emergency and trauma care services.

This office and the Department of Health Services support SB 867 because it will provide continued financial support for the County's Pediatric Trauma Centers, the Physician Services for Indigents Program, and other EMS Agency functions. Therefore, unless otherwise directed the Board, consistent with existing policy to support proposals to provide permanent, stable funding for the County's public and private emergency and trauma care system, and prior County support for SB 1773, SB 1236, and SB 191, **the Sacramento advocates will support SB 867.**

SB 867 is supported by the Emergency Medical Services Administrators Association. Currently, there is no registered opposition on file. This measure is awaiting a hearing in the Senate Public Safety Committee.

Status of County-Advocacy Legislation

County-supported SB 380 (Pavley), which as amended on January 27, 2016, would require the Division of Oil, Gas, and Geothermal Resources (DOGGR) to institute an immediate moratorium on injections of natural gas into any wells located in and serving the Aliso Canyon storage facility, unless needed for leak response or to ensure regional energy stability, and would require the moratorium and restrictions to stay in place until certain provisions are met, was amended on February 16, 2016.

As amended, the bill would also require that DOGGR's evaluation of each well in the Aliso Canyon storage facility be completed with input from independent experts and would require DOGGR to hold at least one public meeting regarding the technical methods and equipment used to evaluate the integrity and failure risk of each well.

SB 380 was heard in the Assembly Utilities and Commerce Committee on February 22, 2016. At the hearing, Senator Pavley agreed to take several technical amendments, including an amendment to provide a sunset date of January 1, 2021 by which the Legislature will verify that the State agencies have completed the tasks specified in the bill and an amendment to direct the California Public Utilities Commission to complete its assessment of the need for the Aliso Canyon natural gas storage facility by July 1, 2017. Senator Pavley also noted that more amendments may be made to help ensure energy reliability in the region if a moratorium is implemented. SB 380 passed the committee by a vote of 13 to 0, and it proceeds to the Assembly Appropriations Committee.

Senate Budget Committee Informational Hearing on Homelessness

On February 25, 2016, the Senate Budget and Fiscal Review Committee will hold an informational hearing at the State Capitol to discuss "Challenges and Opportunities: Homelessness in California's Local Communities." The hearing will include presentations by three panels on the following topics: 1) Perspectives on Homelessness; 2) Overview of State and Local Services that Address Homelessness; and 3) Presentation of the Senate's "No Place Like Home" initiative by Senate President pro Tempore Kevin de León and Darrell Steinberg, founder of the Steinberg Institute and former Senate President pro Tempore.

We will continue to keep you advised.

SAH:JJ:MR
VE:IGEA:ma

c: All Department Heads
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